

To the Board of Trustees,

In planning and performing our audit of the financial statements of the governmental activities and the business-type activities of the Village of Indian Point as of and for the year ended December 31 2014 in accordance with auditing standards generally accepted in the United States of America, we considered the Village of Indian Point's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Indian Point 's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Indian Point's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in The Village of Indian Point's internal control to be a significant deficiency:

Bank Balances

During our audit we found errors to the posting of the bank account balances causing overall cash to be overstated by approximately \$1,400. In addition, some checks were coded to the wrong bank account causing the Capital and Roads accounts to be overstated by \$15,350.

Employee Raises

In the future, raises should be documented in the minutes to ensure proper pay rates are being paid.

Missing Quarterly Payroll Reports

Staff was not able to find two quarters of federal 941 tax deposit reports; therefore, penalties may be assessed for non-filing.

Other Matters

Outstanding Check

A \$2,450 2012 check has never cleared the bank and no forwarding address found. We recommend that the money be sent to the MO State Treasurer's Unclaimed Property Department.

Sewer Customers

The customer delinquent balances have increased 29% from the prior year. Monitoring should be performed to improve collections.

This communication is intended solely for the information and use of management, the board of trustees and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Officer CPA Firm LLC

Springfield, MO

October 22, 2015

VILLAGE OF INDIAN POINT, MISSOURI

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2014

VILLAGE OF INDIAN POINT, MISSOURI

Audit Report
December 31, 2013

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Independent Auditor's Report

Board of Trustees
Village of Indian Point
Indian Point, Missouri

We have audited the accompanying modified cash basis financial statements of the governmental activities and the business-type activities of the Village of Indian Point as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities and the business-type activities of the Village of Indian Point, as of December 31, 2014, and the respective changes in modified cash basis financial position and where applicable, cash flows thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Village's basic financial statements. The budgetary comparison information on page 21 and 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information

We have previously audited the Village of Indian Point, Missouri's 2013 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and the business-type activities in our report dated October 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent in all material respects, with the audited financial statements from which it has been derived.

Officer CPA Firm LLC

Springfield, Missouri
October 16, 2014

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Net Position
Governmental Activities - Modified Cash Basis
Business -Type Activities - Accrual Basis
December 31, 2014 With Comparative Data

	Governmental Activities	Business-Type Activities	Total December 31, 2014	Total December 31, 2013
ASSETS				
Cash and cash equivalents	\$ 122,794	\$ 12,546	\$ 135,340	\$ 106,717
Investments	103,265		103,265	101,478
Restricted assets:				
Cash and cash equivalents	68,919	35,891	104,810	51,008
Investments	63,224		63,224	62,130
Capital Assets:				
Land	119,637	18,586	138,223	138,223
Building and plant	375,571	2,093,816	2,469,387	2,469,387
Equipment	186,959	7,941	194,900	194,900
Accumulated depreciation	(202,663)	(228,611)	(431,274)	(368,911)
TOTAL ASSETS	837,706	1,940,169	2,777,875	2,754,932
LIABILITIES				
Current Liabilities:				
Accrued expenses	1,627		1,627	584
Current portion of long term debt	14,000	46,313	60,313	53,908
Total Current Liabilities	15,627	46,313	61,940	54,492
Long-Term Debt	225,000	617,552	842,552	902,865
TOTAL LIABILITIES	240,627	663,865	904,492	957,357
NET POSITION				
Net investment in capital assets	240,504	1,227,867	1,468,371	1,476,826
Unrestricted	224,432	48,437	272,869	241,170
Restricted	132,143		132,143	79,579.00
TOTAL NET POSITION	\$ 597,079	\$ 1,276,304	\$ 1,873,383	\$ 1,797,575

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
Government-wide Statement of Activities
Governmental Activities - Modified Cash Basis
Business-Type Activities - Accrual Basis
For the year ended December 31, 2014 With Comparative Data

Program Activities	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets			Comparative Data December 31, 2013
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Governmental activities:								
Administration	\$ 110,593	\$ 5,340			\$ (105,253)	\$ (105,253)	\$ (87,166)	
Public safety	63,817	3,937			(59,880)	(59,880)	(87,832)	
Community betterment	-				-	-	(7,952)	
Transportation	46,400				(46,400)	(46,400)	(78,210)	
Recycling	-				-	-	(81)	
Interest on long-term debt	12,976				(12,976)	(12,976)	(13,551)	
Total governmental activities	233,786	9,277	-	-	(224,509)	(224,509)	(274,792)	
Business-type activities								
Wastewater	124,409	57,908	17,182			(49,319)	(36,128)	
Total Business-type activities	124,409	57,908	17,182	-	-	(49,319)	(36,128)	
Total primary government	\$ 358,195	\$ 67,185	\$ 17,182	\$ -	(224,509)	(49,319)	(310,920)	
General Revenues:								
Taxes					344,567		361,898	
Interest and Investment Earnings					3,371	12	3,427	
Miscellaneous					1,686		1,789	
Transfers in (out)					(57,992)	57,992	-	
Total General Revenues and transfers					291,632	58,004	367,114	
Change in Net Assets					67,123	8,685	56,194	
Net Assets at Beginning of Year					529,956	1,267,619	1,741,381	
Net Assets at End of Year					\$ 597,079	\$ 1,276,304	\$ 1,797,575	

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
Balance Sheet - Modified Cash Basis
Governmental Funds
December 31, 2014 With Comparative Data

	General Fund	Total Governmental Funds December 31, 2014	Total Governmental Funds December 31, 2013
ASSETS			
Unrestricted Assets:			
Cash and cash equivalents	\$ 122,794	\$ 122,794	\$ 102,286
Investments	103,265	103,265	101,478
Restricted			
Restricted cash equivalents	68,919	68,919	17,449
Restricted investments	63,224	63,224	62,130
TOTAL ASSETS	<u>\$ 358,202</u>	<u>\$ 358,202</u>	<u>\$ 283,343</u>
 LIABILITIES AND EQUITY			
Liabilities:			
Accrued expenses	\$ 1,627	1,627	\$ 584
Total liabilities	<u>1,627</u>	<u>1,627</u>	<u>584</u>
Equity:			
Fund balance:			
Restricted			-
Assigned	132,143	132,143	79,579
Unassigned	<u>224,432</u>	<u>224,432</u>	<u>203,180</u>
Total Equity	<u>356,575</u>	<u>356,575</u>	<u>282,759</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 358,202</u>	<u>\$ 358,202</u>	<u>\$ 283,343</u>

See accompanying notes to the financial statements.

VILLAGE OF INDIAN POINT, MISSOURI

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets - Modified Cash Basis

December 31, 2014 with With Comparative Data

	December 31, 2014	Comparative Data December 31, 2013
Total fund balances - governmental funds	\$ 356,575	\$ 282,759
Amounts reported for <i>governmental activities</i> the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	479,504	499,197
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.	(239,000)	(252,000)
Net assets of governmental activities	<u>\$ 597,079</u>	<u>\$ 529,956</u>

VILLAGE OF INDIAN POINT, MISSOURI

Statement of Revenues, Expenditures, and changes in Fund Balance - Modified Cash Basis

Governmental Funds

Year Ended December 31, 2014 With Comparative Data

	General Fund	Total Governmental Funds 2014	Total Governmental Funds 2013
REVENUES			
Taxes	\$ 317,157	\$ 317,157	\$ 335,269
Transportation taxes	27,410	27,410	26,629
Fines and forfeitures	3,937	3,937	2,660
Charge for services	5,340	5,340	4,850
Interest	3,371	3,371	3,386
Miscellaneous	1,686	1,686	1,789
TOTAL REVENUES	<u>358,901</u>	<u>358,901</u>	<u>374,583</u>
EXPENDITURES			
Administration	94,838	94,838	76,187
Public safety	61,725	61,725	86,578
Transportation	44,554	44,554	81,613
Capital outlay	-	-	42
Debt service:			
principal payments	13,000	13,000	12,000
interest and agent fees	12,976	12,976	13,551
TOTAL EXPENDITURES	<u>227,093</u>	<u>227,093</u>	<u>269,971</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	131,808	131,808	104,612
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(57,992)	(57,992)	(227,536)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(57,992)</u>	<u>(57,992)</u>	<u>(227,536)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	73,816	73,816	(122,924)
FUND BALANCE (DEFICIT), January 1	<u>282,759</u>	<u>405,683</u>	<u>405,683</u>
FUND BALANCE (DEFICIT), December 31	<u>\$ 356,575</u>	<u>\$ 479,499</u>	<u>\$ 282,759</u>

See accompanying notes to the financial statements.

VILLAGE OF INDIAN POINT, MISSOURI

Reconciliation of the Statement of Revenues, Expenditures and Changes in

Fund Balance of Governmental Funds to the Statement of Activities - Modified Cash Basis

Year Ended December 31, 2014 with Comparative Data

	2014	Comparative Data 2013
Net change in fund balances - total governmental funds	\$ 73,816	\$ (122,924)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(19,693)	(24,331)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayments of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	13,000	12,000
Changes in net assets of governmental activities	<u>\$ 67,123</u>	<u>\$ (135,255)</u>

VILLAGE OF INDIAN POINT, MISSOURI
Statement of Fund Net Position - Modified Cash Basis
Proprietary Funds
December 31, 2014 with Comparative Data

	December 31, 2014	Comparative Data December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,546	\$ 4,431
Restricted assets:		
Cash and cash equivalents	35,891	33,559
Total current assets	<u>48,437</u>	<u>37,990</u>
Capital Assets:		
Land	18,586	18,586
Equipment	7,941	7,941
Building and plant	2,093,816	2,093,816
Accumulated depreciation	(228,611)	(185,941)
Net capital assets	<u>1,891,732</u>	<u>1,934,402</u>
 Total Assets	 <u><u>\$ 1,940,169</u></u>	 <u><u>\$ 1,972,392</u></u>
LIABILITIES		
Current Liabilities		
Current portion of long term debt	46,313	40,908
Total Current Liabilities	<u>46,313</u>	<u>40,908</u>
Long-term debt	<u>617,552</u>	<u>663,865</u>
Total Liabilities	<u>663,865</u>	<u>704,773</u>
NET POSITION		
Net investment in capital assets	1,227,867	1,229,629
Unrestricted	48,437	37,990
Total Net Position	<u><u>\$ 1,276,304</u></u>	<u><u>\$ 1,267,619</u></u>

See accompanying notes to the basic financial statements.

VILLAGE OF INDIAN POINT, MISSOURI

Statement of Revenues, Expenses and Changes in Fund Net Position - Modified Cash Basis

Proprietary Funds - Sewer Fund

Year Ended December 31, 2014 With Comparative Data

	Comparative Data	
	December 31, 2014	December 31, 2013
Operating revenues		
Charge for services	\$ 57,908	\$ 71,004
Total operating revenues	<u>57,908</u>	<u>71,004</u>
Operating expenses:		
Depreciation and amortization	42,670	40,181
Sewer operating expenses	<u>42,865</u>	<u>44,305</u>
Total operating expenses	<u>85,535</u>	<u>84,486</u>
Operating income (loss)	<u>(27,627)</u>	<u>(13,482)</u>
Non-Operating revenues (expenses)		
Intergovernmental revenues	17,182	17,720
Interest expense	(38,874)	(40,366)
Interest income	12	41
Total non-operating revenues (expenses)	<u>(21,680)</u>	<u>(22,605)</u>
Income (loss) before transfers	(49,307)	(36,087)
Operating transfers in (out)	<u>57,992</u>	<u>227,536</u>
Change in net position	8,685	191,449
Net position at the beginning of year	<u>1,267,619</u>	<u>1,076,170</u>
Net position at end of year	<u>\$ 1,276,304</u>	<u>\$ 1,267,619</u>

See accompanying notes to basic financial statements.

VILLAGE OF INDIAN POINT
STATEMENT OF CASH FLOWS
December 31, 2014 with Comparative Data

	2014	Comparative Data 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 57,908	\$ 71,004
Cash payments to suppliers and vendors	(42,865)	(44,305)
Net cash provided by (used for) operating activities	15,043	26,699
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from investments	12	41
Net cash provided (used) by investing activities	12	41
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property and equipment	-	(186,778)
Principal paid on debt	(40,908)	(40,525)
Interest paid on debt	(38,874)	(40,366)
Grant revenues	17,182	17,720
Transfers in	57,992	227,536
Net cash provided (used) by financing activities	(4,608)	(22,413)
Net increase (decrease) in cash and equivalents	10,447	4,327
Cash and equivalents, January 1	37,990	33,663
Cash and equivalents, December 31	<u>\$ 48,437</u>	<u>\$ 37,990</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	(27,627)	(13,482)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	42,670	40,181
Net cash provided by (used for) operating activities	<u>\$ 15,043</u>	<u>\$ 26,699</u>

See accompanying notes to financial statements.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

1. Summary of Significant Accounting Policies

A. The Financial Reporting Entity

The Village of Indian Point, Missouri operates under a form of government that is comprised of an elected Board of Trustees. Indian Point provides a range of municipal services, including general government administration, public safety, planning and community development and street maintenance.

The financial reporting entity includes all funds, functions, and organizations over which the Village officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Village's reporting entity does not contain any component units as defined in GASB Statement No. 14 and GASB Statement No. 39.

Private-sector standards of accounting and financial reporting issued prior to November 30, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

B. Government-Wide and Fund Financial Statements

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes on the Village's financial position and operations. Such information is presented in a summarized comparative format and should be read in conjunction with the government's financial statements for the year ended December 31, 2012, from which the summarized information was summarized.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report on the Village as a whole, excluding fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. All activities, both governmental and business-type, are reported in the government-wide financial statements using the economic resources and measurement focus and the cash basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The government-wide financial statements focus more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Generally the effect of interfund activity has been removed from the government-wide financial statements. Net interfund activity and balances between governmental activities and business-type activities are shown in the government-wide financial statements. The "doubling up" effect of internal service fund activity has been eliminated from the government-wide financial statements with the expenses shown in the various functions and programs on the Statement of Activities.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

The government-wide Statement of Net Position reports all financial and capital resources of the Village (excluding fiduciary funds). It is displayed in a format of assets less liabilities equal net position, with the assets and liabilities show in order of their relative liquidity. Net position is required to be displayed in three components: 1) net investment in capital assets, 2) restricted, and 3) unrestricted.

Net investment in capital assets is capital assets net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Restricted net position is those with constraints placed on their use by either: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as restricted, is shown as unrestricted. Generally, the Village would first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Transportation, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, 2) Grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Taxes and other items not properly included among program revenues are reported instead as general revenues. Also, part of the basic financial statements are fund financial statements for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of the fund financial statements is on major funds, as defined by GASB Statement No. 34. Although this reporting model sets forth minimum criteria for determination of major funds (a percentage of assets, liabilities, revenues, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), it also gives governments the option of displaying other funds as major funds.

The Village distinguishes operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services in connection with the Village's principal ongoing operations. The principal operating receipts are charges to customers for water services. Operating disbursements include the costs of sales and services and administrative expenses. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

The governmental fund types the Village has are:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

The business-type fund types the City has are:

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The costs of providing goods or services to the general public are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide Statement of Net Position and Statement of Activities, the funds are presented using the modified cash basis of accounting.

In the fund financial statements of the governmental funds, the “current financial resources” measurement focus or the economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate.

All funds utilize a “current financial resources” measurement focus. Only currently financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The funds of the Village are maintained, and the accompanying financial statements have been prepared and presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Cash and Cash Equivalents

Cash consists of amounts in demand deposits and certificates of deposit. The Village considers all highly liquid investments maturing within three months to be cash equivalents. Cash balances are invested to the extent available. Investments include money market accounts and certificates of deposit. Investments are stated at cost or amortized cost which approximates market.

E. Property Taxes

The Village does not levy property taxes.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

F. Capital Assets

Under GASB Statement No. 34, all capital assets, whether owned by governmental activities or business-type activities, are recorded and depreciated in the government-wide financial statements. Under GASB No. 34, small Cities have the option to capitalize infrastructure purchased in previous years. The Village of Indian Point has chosen not to capitalize existing infrastructure but will capitalize any future infrastructure that it acquires. No long-term capital assets or depreciation are shown in the governmental funds financial statements.

Capital assets, excluding public domain infrastructure (e.g. roads, bridges, sidewalks and other assets that are immovable and of value only to the Village) are defined as assets with an individual cost of more than \$500 and an estimated useful life greater than one year. Infrastructure assets are defined as assets that have an individual cost of \$10,000 or more.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment	5-15 years
Buildings	50 years
Sewer mains	50 years
Water towers and lines	20-50 years

Capital assets transferred between funds are transferred at their net book value (cost less accumulated depreciation), as of the date of the transfer.

G. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent asset assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

H. Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur which result in amounts owed to a particular fund by another fund, other than for goods provided or services rendered. These receivables and payables are due within a year and are classified as "due to/from other funds" on the balance sheet.

I. Compensated Absences

The City's policy on vacation and sick leave permits limited accruals of each type that can be used in a future year. No provision has been made to record this liability in the year incurred, but rather, when paid.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

J. Fund Equity

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - pre-paid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the board of aldermen - the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board of aldermen removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The board of aldermen has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

K. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 62, Codification of Pre-November 30, 1989 FASB and AICPA Pronouncements. The current period financial statements have been restated to implement this pronouncement.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position has been implemented in the current financial statements. The financial statements were restated for the elimination of deferred debt issuance costs.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

2. Restricted Assets

Governmental Activities

The 2007 Certificates of Participation established deposit requirements for project construction and debt service. These funds are held in trust accounts. At December 31, the required deposits had been met and consist of:

	Restricted Cash and Investments	Reserved Net Assets
Debt service funds		
Capital Improvements	132,143	132,143
	<u>132,143</u>	<u>132,143</u>

Business-Type Activities (Sewer Fund)

The 2005 Revenue Bonds established deposit requirements for project construction, debt service payments, rebates and debt service reserve. These funds are held in trust accounts. At December 31, the required deposits had been met and consist of:

	Restricted Cash	Reserved Net Position
Debt service funds	24,011	
Special reserve funds	11,880	
	<u>35,891</u>	<u>-</u>

3. Cash and Equivalents

The Village has formal investment policies for Village monies. Investments consist of non-negotiable certificates of deposit stated at cost, which approximates market.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

Deposits:

The Village's deposits, including restricted assets, are stated at cost and are composed of the following:

	Book Carrying Amounts	Bank Balance
Petty cash	\$ 400	
Checking accounts	203,859	211,331
Certificates of Deposit	166,489	166,489
Total	370,748	377,820
Held in Trust:		
U.S. Government money market funds	35,891	35,891
Total	<u>\$ 406,639</u>	<u>\$ 413,711</u>

Of the total bank balance at December 31, 2014, only \$350,000 was covered by federal depository insurance or pledged collateral.

To protect the safety of the Village deposits, Section 110.020, RSMo 1986, requires depositories to pledge collateral securities to secure Village deposits not insured by the Federal Deposit Insurance Corporation. As the previous paragraph indicates, the Village and its depository banks were not in compliance with the Missouri law.

Section 95.355, RSMo 1986, requires the Village to enter into agreements with the banks selected as depositories. The Village does not have formal depository contracts with the banks that hold Village monies.

4. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Village maintains commercial insurance coverage for each of those risks of loss. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

5. Capital Assets

Capital asset activities for the year ended December 31, 2014, were as follows:

Governmental activities:

	Balance 1/1/2014	Additions	Retirements	Balance 12/31/2014
Governmental activities:				
Land	\$ 119,637			\$ 119,637
Buildings	375,571			375,571
Equipment	186,959			186,959
Total	<u>682,167</u>	<u>-</u>	<u>-</u>	<u>682,167</u>
Less accumulated depreciation for:				
Buildings	57,840	10,347		68,187
Equipment	125,130	9,346		134,476
Total	<u>182,970</u>	<u>19,693</u>	<u>-</u>	<u>202,663</u>
Net capital assets	<u>\$ 499,197</u>	<u>\$ (19,693)</u>	<u>\$ -</u>	<u>\$ 479,504</u>

Business-type activities:

Land	\$ 18,586			\$ 18,586
Equipment	7,941			7,941
Building and plant	2,093,816			2,093,816
Total	<u>2,120,343</u>	<u>-</u>	<u>-</u>	<u>2,120,343</u>
Less accumulated depreciation for:				
Buildings	182,414	41,877		224,291
Equipment	3,527	793		4,320
Total	<u>185,941</u>	<u>42,670</u>	<u>-</u>	<u>228,611</u>
Net capital assets	<u>\$ 1,934,402</u>	<u>\$ (42,670)</u>	<u>\$ -</u>	<u>\$ 1,891,732</u>

VILLAGE OF INDIAN POINT, MISSOURI
Notes to Financial Statements
December 31, 2014

6. Long-Term Debt

The following is a summary of the City's long-term debt transactions for the years ended:

	Debt outstanding, Jan 1, 2014	Additions of new debt	Retirements and	Debt outstanding, Dec 31, 2014	Due Within One Year
Government-type Activities:					
Certificates of participation	\$ 252,000		13,000	\$ 239,000	\$ 14,000
Business-type Activities:					
Revenue Bonds:					
2009 Lease Purchase	\$ 154,773		\$ 5,908	\$ 148,865	\$ 6,313
Waste Water, 2005	550,000		35,000	515,000	40,000
	<u>\$ 704,773</u>	<u>\$ -</u>	<u>\$ 40,908</u>	<u>\$ 663,865</u>	<u>\$ 46,313</u>
Total	<u>\$ 956,773</u>	<u>\$ -</u>	<u>\$ 53,908</u>	<u>\$ 902,865</u>	<u>\$ 60,313</u>

The debt consists of:

	Governmental-Type Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	14,000	11,155	25,155	46,313	34,079	80,392
2016	14,000	10,511	24,511	46,746	32,048	78,794
2017	15,000	9,844	24,844	47,210	29,985	77,195
2018	16,000	9,127	25,127	47,704	27,839	75,543
2019	16,000	8,383	24,383	48,233	25,210	73,443
2020 - 2024	95,000	29,334	124,334	258,986	88,035	347,021
2025 - 2029	69,000	5,275	74,275	168,673	17,696	186,369
	<u>\$ 239,000</u>	<u>\$ 83,629</u>	<u>\$ 322,629</u>	<u>\$ 663,865</u>	<u>\$ 254,892</u>	<u>\$ 918,757</u>

Governmental-Type Activities

2007 Village City Hall Project Certificates of Participation, dated April 1, 2007, due in annual installments through April 1, 2027, bearing interest rates of 4.6% to 5.0%, interest payable semi-annually

Business-Type Activities

2005 State Revolving Fund waste water system revenue bonds, dated November 1, 2005, due in annual installments through July 1, 2026, bearing interest rates of 3.25% to 5.25%, interest payable semi-annually.

2009 Lease Purchase, dated March 15, 2009, due in semi-annual installments through April 1, 2029, bearing interest rate of 6.75%, interest payable semi-annually.

OTHER INFORMATION

VILLAGE OF INDIAN POINT, MISSOURI

Budgetary Comparison Schedule - General Fund-Modified Cash Basis

Year Ended December 31, 2014

	Original Budget	Budget as Amended	Actual	Variance from amended Positive (Negative)
Resources (inflows):				
Taxes	\$ 350,900	\$ 350,900	\$ 344,567	\$ (6,333)
Fines and forfeitures	2,000	2,000	3,937	1,937
Charges for services	3,500	3,500	5,340	1,840
Interest income	2,350	2,350	3,371	1,021
Miscellaneous income	250	250	1,686	1,436
Total Resources (inflows)	<u>359,000</u>	<u>359,000</u>	<u>358,901</u>	<u>(99)</u>
Charges to appropriations (outflows):				
Administration	82,125	82,125	94,838	(12,713)
Public safety	86,327	86,327	61,725	24,602
Transportation	79,406	79,406	44,554	34,852
Capital outlay	-	-	-	-
Debt service:				
Principal payments	13,000	13,000	13,000	-
Interest and agent fees	12,000	12,000	12,976	(976)
Total charges to appropriations	<u>272,858</u>	<u>272,858</u>	<u>227,093</u>	<u>45,765</u>
Other Financing Sources (Uses)				
Transfers in (out)	(66,144)	(66,144)	(57,992)	8,152
Total Other Financing Sources (Uses)	<u>(66,144)</u>	<u>(66,144)</u>	<u>(57,992)</u>	<u>8,152</u>
Net Change in Fund Balances	19,998	19,998	73,816	53,818
Fund Balance, January 1	<u>282,759</u>	<u>282,759</u>	<u>282,759</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 302,757</u>	<u>\$ 302,757</u>	<u>\$ 356,575</u>	<u>\$ 53,818</u>

VILLAGE OF INDIAN POINT, MISSOURI
Notes to the Other Information - Budget Comparisons
December 31, 2014

1. Budgetary Basis

Annual budgets are adopted on a modified cash basis of accounting where revenues are reported as collected and expenditures when paid. All annual appropriations lapse at year-end.

2. Budgetary Information

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level.

All budget revisions at this level are subject to final review by the Board of Trustees. Revisions to the budget were made once during the year.

3. Excess of Expenditures over Appropriations

None.

To the Board of Trustees
Village of Indian Point, Missouri

We have audited the financial statements of the government activities and business-type activities of the Village of Indian Point for the year ended December 31, 2014. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspect of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Village of Indian Point are described in Note 1 to the financial statements. No new policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Village during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. .

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 16, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Village's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant

facts. To our knowledge, there were no such consultations with other accountants. We are aware of no situations where management has consulted with other accountants.

Other Audit Matters

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Village of Indian Point's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We were not engaged to report on the budgetary comparison schedule, which accompanies the financial statements. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the Village of Indian Point and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly Yours,

Officer CPA Firm LLC

October 16, 2015